

VZCZCXYZ0003
PP RUEHWEB

DE RUEHRO #1885 2491133
ZNR UUUUU ZZH
P 061133Z SEP 07
FM AMEMBASSY ROME
TO RUEHC/SECSTATE WASHDC PRIORITY 8907
INFO RUEHSB/AMEMBASSY HARARE PRIORITY 0222
RUEATRS/DEPT OF TREASURY WASHDC PRIORITY

UNCLAS ROME 001885

SIPDIS

SIPDIS

STATE AF/S FOR STEVE HILL
STATE FOR EEB/IFD/OMA
STATE PASS TO EXPORT-IMPORT BANK

E.O. 12958: N/A

TAGS: EFIN ETRD EXIM PREL IT ZI

SUBJECT: ITALIAN EXPORT CREDIT AGENCY WILL LITIGATE TO
RECOVER DEBT OWED BY ZIMBABWE

REF: STATE 118031

¶1. (U) Sensitive But Unclassified. Not for Internet
Distribution.

¶2. (U) Econoff and Econ Specialist delivered reftel
information on recovery of debt owed the U.S. Export-Import
Bank (Ex-Im Bank) by the Government of Zimbabwe (GOZ) to
Michal Ron, Head of Claims and International Agreements for
SACE, the Italian Export Credit Agency (ECA). Ron was
appreciative for reftel background on Ex-Im's recovery of the
debt and, per reftel request, will follow-up directly with
Ex-Im Bank's Assistant General Counsel.

¶3. (SBU) According to Ron, SACE is attempting to recover
10.6 million dollars (principal and interest) owed SACE by
the GOZ. SACE's Board of Directors has authorized SACE to
attempt recovery through litigation. SACE is in the process
of hiring a law firm to represent it in the litigation, and
plans to bring suit against the GOZ in London or New York.
Ron noted this is the first time SACE has sued a foreign
sovereign government in its capacity as an ECA, and that the
Ministry of Foreign Affairs and Ministry of Finance, which
have seats on SACE's Board, will receive regular updates on
SACE's recovery efforts. SACE will also keep Paris Club
members apprised.

¶4. (SBU) Ron said that SACE will likely seek payment of the
debt through attachment of assets in Italy and Great Britain
owned by the GOZ. This is similar to the strategy employed
by the Dutch ECA in its efforts to secure repayment of debt
owed by the GOZ. SACE's decision to recover the debt owed it
through attachment of GOZ assets also dictated the decision
to file suit in New York or London -- Zimbabwean attorneys
advised SACE that even if the Zimbabwean Courts ruled in
SACE's favor, enforcement of the judgment would be near
impossible in Zimbabwe.

SPOGLI